The consequences of these developments will be:

1. Unemployment in industries affected by foreign competition will increase. This is bound to have an adverse impact on general business activity.

2. In the effort to mitigate unemployment, Federal expenditures and budget deficits will be increased.

3. The United States favorable balance of payments will decline.

4. These combined factors may undermine foreign confidence in the dollar and lead to an outflow of funds and gold.

Should such a situation develop, the United States will face the choice either of devaluing the dollar in relation to other currencies or adopting a policy of austerity to bring costs and prices into line with those of other countries.

Either decision would be exceedingly painful.

GALLOPING INFLATION

Creeping inflation can easily degenerate into galloping inflation. If the purchasing power of the dollar continues to decline and people become convinced that there is no real desire to check the inflationary pressures, they may decide to spend a part of their accumulated savings by anticipating their future needs and wants. Toward the end of November 1958, liquid assets held by the public in the form of currency, bank deposits, shares of savings and loan associations, and "E" savings bonds totaled approximately $322 billion. Even if a moderate portion of this sum were spent, a sharp increase in sales and heavy accumulation of inventories could easily follow.

In short, an inflation boom would be started.

Experience of the past has shown that such booms invariably end in disaster within a relatively short time.

NOMINATION OF MRS. CLARE BOOTHE LUCE TO BE AMBASSADOR TO BRAZIL

Mr. BUSH. Mr. President, yesterday I was absent from the Chamber because I attended, in Connecticut, the funeral of Mrs. Julia Keeney, of Somersville, a member of the Republican National Committee.

I have noted in the newspapers today that yesterday on the floor of the Senate there was some debate in regard to the nomination of Mrs. Clare Boothe Luce, of Connecticut, to be Ambassador to Brazil. I am sorry I was not in the Chamber at that time, because if I had been here I certainly would have defended the nomination.

I had the honor of escorting Mrs. Luce to the Foreign Relations Committee's hearing only 2 days ago, and at that time I urged very strongly that her nomination be reported favorably to the Senate.

Mrs. Luce is a highly distinguished public servant of the Nation. She served for 4 years in the Congress of the United States; and both in that capacity and in other ways she has shown outstanding ability. She has also shown excellence in the literary world and in the religious world. Finally, she has given outstanding service to the Nation as a diplomat, as our Ambassador to Italy, for a period of approximately 4 years. Although there were many persons who doubted that that was a wise appointment, upon the conclusion of her service as Ambassador to Italy it was generally and very widely recognized that she had been a very successful Ambassador—indeed, an excellent one.

In view of her brilliant performance and her outstanding ability, I believe that we are fortunate that the President has nominated her once more to serve in this field—this time to be the Ambassador of our country to Brazil. I am confident she will give an excellent performance there, and I hope the Senate will promptly confirm her nomination.

UNITED STATES FOREIGN POLICY—ADDRESSES BY SENATOR FULBRIGHT AND AN EDITORIAL

Mr. MANSFIELD. Mr. President, yesterday the distinguished chairman of the Senate Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT], delivered two addresses, one before the American Society of Newspaper Editors, in the city of Washington; and, later in the day, an address at the 10th anniversary banquet of the Reporter magazine, at the Overseas Press Club, in New York City.

I also wish to call attention to an editorial entitled "Nonpartisan Foreign Policy," which appears in today's issue of the Washington Post.

Mr. President, in view of the extreme importance of these two speeches and the valuable advice contained in the editorial published in the Post, I think it behooves the Senate and the entire country to read them with great interest and much care.

Therefore, I ask unanimous consent that the two speeches on the foreign policy, delivered by the distinguished Senator from Arkansas [Mr. FULBRIGHT] the chairman of the Foreign Relations Committee, and the editorial which was published in the Washington Post, be printed at this point in the RECORD.

There being no objection, the addresses and the editorial were ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR J. W. FULBRIGHT, CHAIRMAN, SENATE FOREIGN RELATIONS COMMITTEE, BEFORE THE AMERICAN SOCIETY OF NEWSPAPER EDITORS, WASHINGTON, APRIL 16, 1959

I want to talk to you not so much about our foreign policy, what it is or what it ought to be, as about our attitudes toward foreign policy and how we go about making it. Until we get straightened out on this latter point, we are never going to make much progress with the former one.

We are dealing here with what a former Secretary of State has rightly called "democracy's most difficult problems." They are the problems arising from the extraordinary, the almost incomprehensible, complexity and fragmentation of the democratic decision-making process. We see this process at work every day in a thousand ways, and it is by no means confined to the Federal Government. It involves collective bargaining contracts, decisions of investors, of buyers and sellers, of borrowers and lenders. It involves decisions of local governments as to what teachers salaries they will pay, decisions of industrial managers as to what prices they will charge, decisions of farmers as to what crops they will plant. The sum of all of these decisions, plus thousands of others, equals national policy.

Few of the people participating in making these decisions think of themselves as contributing to national policy. They quite naturally think of themselves only as deciding a limited question in a limited context with limited consequences. The result is that the policy which emerges from the sum of these decisions is quite frequently one which nobody has consciously willed.

We have inflation, not because anybody decided it would be a good thing, but because hundreds of thousands of people who bargain over wage rates and prices acted in a way to make wages and prices higher.

We have an inadequate school system, not because anybody is opposed to public education, but because tens of thousands of local governments have preferred to keep tax rates down than to push school budgets up and because too many parents have wanted their children to study baton-twirling instead of algebra.

We have an inadequate foreign policy, not because we want it that way, but because we have not yet brought ourselves to accept the realities of our position in the world and the inseparability of domestic and international policy.

And we have an almost unmanageable governmental machinery, not because anyone deliberately planned it that way, but because millions of individual citizens, exercising their constitutional right to vote, brought about this result. On top of the complex Federal-State system of checks upon the power of the National Government, we presently have the legislative and executive powers controlled by different parties. Such a Government is like having a motorcar with magnificent brakes but no motor.

If I may digress a moment at this point. Realizing the difficulty of moving such a cumbersome machinery, the majority leader of the Senate has endeavored to supply the motive power to get the machinery moving by an unusual display of energy and leadership. To my astonishment, he has been vigorously attacked by certain of his colleagues on the grounds that he is at once dictatorial in his methods and too complaisant as regards the executive. These attacks are unjustified in my opinion. Rather than less, we need more positive and energetic leadership, not only in the legislative branch, but especially in the executive branch of our Government.

In this area we are at an enormous disadvantage vis-a-vis the Soviets. One aspect of this disadvantage is obvious: A monolithic, authoritarian state, such as the Soviet Union, can mesh domestic and international policy much more readily than can a pluralistic, democratic state, such as the United States. This aspect of the disadvantage we can accept; indeed, we have to accept it, because we are simply not willing to pay the price—in terms of individual liberties—that would be required to overcome it.

But there is another aspect of our disadvantage vis-a-vis the Soviets. This one is subtler—at least, equally important—and less acceptable. It is that in the Soviet Union the people who participate in the decision-making process—and they are, of course, only a handful—have a very clear conception of their role in the world. In the United States the people who participate in the decision-making process—and they number literally in the millions—do not have such a conception.

That this is so is really not very surprising. Although individual Americans tend to be gregarious, as a nation we have historically been introverted. For most of our national existence we have been physically remote from the rest of the world, and even now most of us remain psychologically remote. We have had the better part of a continent, rich in resources, to settle and develop. Until recently foreign policy has not seemed important to our survival as it has to the states of Europe.